

§ 941.101

SOURCE: 45 FR 60838, Sept. 12, 1980, unless otherwise noted. Redesignated at 49 FR 6714, Feb. 23, 1984.

Subpart A—General

§ 941.101 Purpose and scope.

(a) *Purpose.* The U.S. Housing Act of 1937 (Act), 42 U.S.C. 1437, authorizes HUD to assist public housing agencies (PHAs) with the development and operation of low-income housing projects and financial assistance in the form of grants (42 U.S.C. 1437c, 1437g, and 1437l). The purpose of the program is to develop units which serve the needs of public housing residents over the long term and have the lowest possible life cycle costs, taking into account future operating and replacement costs, as well as original capital investments.

(b) *Scope.* This part is the regulation under which a PHA develops low-income housing (excluding Indian housing), herein called public housing.

(c) *Approved information collections.* The following sections of this part have been approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (42 U.S.C. 3501-3520) and assigned the OMB approval numbers indicated:

| Approval No. | Sections |
|--------------|---|
| 2577-0033 | 941.207, 941.301, 941.303, 941.304, 941.606, 941.610. |
| 2577-0036 | 941.205, 941.404. |
| 2577-0039 | 941.402. |

[61 FR 38016, July 22, 1996, as amended at 64 FR 13511, Mar. 19, 1999]

EFFECTIVE DATE NOTES: 1. At 61 FR 38016, July 22, 1996, § 941.101 was revised. This section contains information collection and recordkeeping requirements and will not become effective until approval has been given by the Office of Management and Budget. When approval is obtained, HUD will publish notice of the effective date in the FEDERAL REGISTER.

2. At 64 FR 13511, Mar. 19, 1999, § 941.101 was amended by revising the chart appearing at the end of paragraph (c), effective Apr. 19, 1999. For the convenience of the user, the superseded text is set forth as follows:

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(c) * * *

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| Approval No. | Sections |
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| 2577-0024 | 941.304(j). |
| 2577-0033 | 941.301, 941.303, 941.304 except para. (j), 941.402, 941.606, 941.610. |
| 2577-0036 | 941.304, except para. (j). |
| 2577-0039 | 941.205, 941.404. |

§ 941.102 Development methods and funding.

(a) *Methods.* A PHA may use any generally accepted method of development including, but not limited to, conventional, turnkey, acquisition with or without rehabilitation, mixed-finance, and force account.

(1) *Conventional.* Under this method, the PHA is responsible for selecting a site or property and designing the project. The PHA advertises for competitive bids to build or rehabilitate the development on the PHA-owned site. The PHA awards a construction contract in accordance with 24 CFR part 85. The contractor receives progress payments from the PHA during construction or rehabilitation and a final payment upon completion of the project in accordance with the construction contract. The conventional method may be used for either new construction or rehabilitation.

(2) *Turnkey.* The turnkey method involves the advertisement and selection of a turnkey developer by the PHA, based on the best housing package for a site or property owned or to be purchased by the developer. Following HUD approval of the PHA's full proposal, the developer prepares the design and construction documents. The PHA and the developer execute the contract of sale to implement the PHA's full proposal. The developer is responsible for providing a completed housing project, which includes obtaining construction financing. Upon completion of project construction or rehabilitation in accordance with the contract of sale, the PHA purchases the development from the developer. This method may be used for either new construction or rehabilitation.

(3) *Acquisition.* The acquisition method involves a purchase of existing property that requires little or no repair work. Any needed repair work is completed after acquisition, either by the PHA contracting to have the work